

DISPATCH		CLASSIFICATION S-E-C-R-E-T	DISPATCH SYMBOL AND NO. EGFW-11425								
TO	Chief of Base, Frankfurt		HEADQUARTERS FILE NO. 74-124-29/2								
INFO	Chief of Station, Germany										
FROM	Chief, SR		DATE 14 OCT 1960								
SUBJECT	REDWOOD AERODYNAMIC Administrative Handling of AECASSOWARY/29		RE: "43-3" - (CHECK "X" ONE) MARKED FOR INDEXING <input checked="" type="checkbox"/> NO INDEXING REQUIRED								
ACTION REQUIRED	See paragraphs.		INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY								
REFERENCE(S)	<p>EGFA-31919, 27 September 1960</p> <p>DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE AGENCY SOURCE METHOD EXEMPTION 3028 VAZ WAR CRIMES DISCLOSURE ACT DATE 2007</p> <p>1. Reference makes it clear that the Field has given considerable practical thought to the handling and employment of AECASSOWARY/29. We wish to express appreciation for the thoroughness and comprehensiveness of the dispatch. Although some points need to be resolved, none seems to create a serious problem, and most can be settled quickly, we believe.</p> <p>In order to answer your questions and make comments most efficiently, we shall follow the order of topics as they were presented in reference, paragraph by paragraph.</p> <p>2. <u>Security, Cover and Documentation</u></p> <p>a. AECASSOWARY/29 was granted a full GA on 19 April 1960, following a POA granted 25 January 1960. There are no special limitations on the GA. In answer to your request, we are forwarding as Attachment A under separate cover a report on AECASSOWARY/29's LCPLUTTER test. With regard to AECASSOWARY/2 and AECASSOWARY/15, both are fully cleared longstanding agents. AECASSOWARY/15 was formerly under KUBARK contract on an individual basis. Both have satisfactorily passed LCPLUTTER tests. AECASSOWARY/2, AECASSOWARY/15 and AECASSOWARY/29 make up the AECASSOWARY/1 operational inner circle. Other members of AECASSOWARY/1 have varying types of security clearance tailored to their particular functions.</p> <p>We are not sure what was intended by "a full security briefing." AECASSOWARY/29 has a good understanding of conspiratorial behavior. He has had considerable first-hand operational experience and tradecraft training, a basic factor of which is good security. Furthermore, he understands the relationship which exists between his organization and KUBARK and the necessity for protecting it and common operations. To this extent he is briefed. On the other hand, if the Field senses or notices omission or errors on his part in the area of security, no time should be lost in correcting them. There might be special security procedures peculiar to the Frankfurt area and to FOB with which AECASSOWARY/29 is unfamiliar, and we trust that you will brief him along these lines.</p> <p>AECASSOWARY/29 has not signed a special secrecy agreement here. We usually consider such agreements more appropriately applied to singleton agents responsible only to KUBARK. AECASSOWARY/29, on the other hand, as a supporter of AECASSOWARY/1 and an employee of AECASSOWARY/1, is bound to observe the security practices and agreements which have been developed between AECASSOWARY/1 and KUBARK through many years of collaboration. Probably the most effective control we hold over AECASSOWARY/29 is his current FBPRIME immigration status. He knows that KUBARK has taken certain steps to protect his FBPRIME residency while he is absent; from the country (and he was most concerned that those steps be binding on ODYOKE).</p>										
<p>Removed from Project <i>Aerodynamics</i> CS Classification: 74-124-29/2 JOB # 69-425783 Box 20 Folder 4</p> <table><tr><td>AS/PS</td></tr><tr><td>AS</td></tr><tr><td>IN</td></tr><tr><td>PS</td></tr><tr><td>BF</td></tr><tr><td>DES</td></tr><tr><td>MD</td></tr><tr><td>PP</td></tr></table> <p>CS COPY</p> <p>74-124-29/2</p>				AS/PS	AS	IN	PS	BF	DES	MD	PP
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so he must assume that if he were to violate KUBARK's trust, the latter could take effective punitive action. So we doubt that a signed secrecy agreement would give any greater protection than we already have, and therefore do not recommend that one be executed at this point. If you feel strongly to the contrary, however, we do not object to such an agreement.

In general it is suggested that AECASSOWARY/29 be treated as a Field contract agent who does not have access to KUBARK installations or organizational information.

b. Separate Cover Attachment B contains a complete, up-to-date AERO-DYNAMIC identity list (by AECASSOWARY number). Additions will be forthcoming periodically. It would probably be least confusing to add to that list AECASSOWARY/29's firm, permanent collaborators as they are taken aboard and not to develop a new cryptonym series. Having an AECASSOWARY number never has denoted membership in AECASSOWARY/1. The system has been used with collaborators as well as outright members, of whom there are very few--neither AECASSOWARY/29 nor AECASSOWARY/15 is a member, for instance. (There is no mass membership of AECASSOWARY/1, for reasons which are clear from the true name of the organization.)

Inasmuch as we did not know at the time of AECASSOWARY/29's departure exactly whom of the AECASSOWARY/1 supporters and collaborators in Europe he would recruit for operational work, we have not attempted to send the Field all available information on AECASSOWARY/1 European collaborators and supporters. This would be an impossible task. Certain of the collaborators we do not know will be used by AECASSOWARY/29--several in Sweden, for example--and you may expect all available information on them soon. It is suggested that as AECASSOWARY/29 reports to you on agent candidates, clearances be requested from Headquarters, which, in turn, will forward all available useful information to FOB.

c. Neither part of AECASSOWARY/29's cover should consume much of his time. The AECASSOWARY/1 is so amorphous as to be virtually uncheckable from the outside. Ostensibly he files his sporadic reports to AECASSOWARY/1 by mail, and who can prove that he does not. His operational travel, when under true name, may appear to be for news-gathering purposes to fulfill this assignment, as well as to compile raw material for the emigre study which he is allegedly preparing for his other coversponsor. Simply by remaining au courant of the political affairs of AECASSOWARY/1 and the Ukrainian emigration, AECASSOWARY/29 should in fact be able to demonstrate that he is apparently fulfilling his cover assignments, if called upon to do so. This he will have to do in any case in order to exploit emigre contacts for his own special purposes. To this extent AECASSOWARY/29 cannot be extracted from political affairs. The essential qualification is that he will have no responsibilities in the emigre political arena.

3. Administration and Finance

a. There is no contract or memorandum of oral agreement between KUBARK and AECASSOWARY/29. The existent agreement is not between those parties, but between KUBARK and AECASSOWARY/1. It would be inappropriate to contract with any one of the latter's active employees working with us at that organization's instructions. In this way, of course, AECASSOWARY/29 differs from contract PA's in Frankfurt. In fact, since KUBARK domination of AECASSOWARY/1, if and when we choose to exercise it, is virtually complete, AECASSOWARY/29 is in our pocket. We think you will agree that it is best not to exercise control in an unnecessarily flagrant manner. Rational discussion has been sufficient. The AECASSOWARIES are perceptive, and they have not had to be reminded who holds the whip hand. Observation of these niceties has obtained dependable cooperation, freely given, from AECASSOWARY/1 personnel as a whole.

CHURCH has been satisfied that ARCASSOWARY/29 is serving abroad at KUBARK direction, and his residence status will be preserved. If ARCASSOWARY/29 harbors any fears on this score, please assure him that everything is in order. The re-entry permit which he holds is good for a year from date of issuance. It may be renewed for another year at a PEPRINE consulate prior to expiration (ca. 4 August 1961). At the end of two years ARCASSOWARY/29 would have to return to PEPRINE for issuance of a new re-entry permit.

b. We shall be unable to take action on ARCASSOWARY/29's salary payments until ARCASSOWARY/2 returns from Europe. There must be no payment to ARCASSOWARY/29 of per diem in lieu of an adequate salary. Conversely, it would be bad security to allow ARCASSOWARY/29 to ensnare himself in a web of debt. At the same time, separation from his wife was his own choice. Neither KUBARK nor ARCASSOWARY/1 is responsible for it. As any other citizen, he must be prepared to accept the consequences of his actions, including the financial ones. As you have pointed out, he will of necessity be traveling much of the time, which should alleviate the situation somewhat. Furthermore, if half of his apartment cost is covered from the Field allocation as office space, his overall living expenses should not be high.

Some equitable solution with regard to double taxation of ARCASSOWARY/29 will have to be reached. Clearly he himself cannot be expected to pay German taxes in addition to his PEPRINE taxes. Headquarters is working on this matter; you will shortly receive further instructions.

Arrangements will be made with ARCASSOWARY/2, following his arrival here, to pay ARCASSOWARY/29's salary in Germany. In the meantime, please advise which bank you wish to use and make the necessary arrangements for an account to which funds can be transferred.

c. While the considerations on per diem cited by FOB in reference are appreciated, it is felt that since ARCASSOWARY/29 was employed in PEPRINE and not abroad and has been paid full per diem here, he should receive full per diem in Europe. In our experience CHURCH per diem rates are not excessive. Not only would we not want ARCASSOWARY/29 to feel discriminated against, which might lead to bitterness, but other compensations for the lonely and unusual existence which ARCASSOWARY/29 must lead are not great. Thus, in this case it is requested that Base policy be waived in favor of the exceptional conditions. The question of insufficient budget is treated below. Suffice it to say here that it would seem only fair to judge the case for full per diem on its own merits.

d. We discussed above the combination of ARCASSOWARY/29's living quarters with working office and the sharing of expenses for it. You are authorized to pay a fair share of the total cost of the apartment on that basis from the Field allocation, as well as the total amount of the key money, if that is necessary. Our concern in housing is primarily one of security. ARCASSOWARY/29 must be able to keep permanent records from which to organize his work. This material, although not literally "classified information" will in reality be very sensitive. Can its security be guaranteed outside a guarded CHURCH installation? You are probably familiar with repeated breaking and entering cases sponsored by the SIS, particularly into emigre installations. We fear that if ARCASSOWARY/29's activities become known to the SIS, a similar attempt will be made. However, as FOB is in a far better position than Headquarters to estimate the danger and take precautions, the latter are left to your discretion.

e. It is suggested that FOB require detailed reporting from ARCASSOWARY/29 on all his activities, organizational as well as operational. We have repeatedly emphasized that everything possible will be done to keep him free of organizational tasks, but since it will be through ARCASSOWARY/1 and its supporters that he works, both ARCASSOWARY/29 and the case officer should be aware of what the organization is doing and with whom. To help the latter understand the group's background and why ARCASSOWARY/1 is a unique operational device, we are pouching KNFORGE some pertinent material.

As with personal travel expenses, ARCASSOWARY/29 will have to toe the line on operational expense accounting. Here an ounce of prevention probably will save a pound of cure.

f. We appreciate the Field's ingenuity in trying to fit into the Field allocation of ☐ a gratifyingly ambitious operational program which seems too large for it. It must be explained that the ☐ figure which you received was an educated guess. At the time the allocation was made, we did not know just how comprehensive a program would be set up. The allocation was therefore intended to be flexible, and it is. Given satisfactory results and--perhaps even more important initially--procedures which seem to indicate probable success in the future, we shall not hesitate to request an expanded AEROBYNAMIC budget for the purpose of increasing the Field allocation if the money cannot be found within the project. As it is already clear that the Field allocation is insufficient, we shall re-examine the FY 61 AEROBYNAMIC budget with AECASSONARY/2 to determine whether there is surplus which can be sent to the Field. Failing that, we shall take the action indicated above.

This brings us to the core of the budgetary discussion. Headquarters prefers to maintain project AEROBYNAMIC as the roof project for all activities in which AECASSONARY/29 is the prime instrument and not to develop separate administrative projects for some categories of activity as suggested in paragraph 3f of reference. Since the same amount of money has to be spent by KUBARK, whether on a roof or individual project basis, by carving up AECASSONARY/29's activities, we deceive only ourselves as to the total cost of the project. Furthermore, the administrative burden which would result from such a system, both in the Field and at Headquarters, not to mention the confusion as to who should pay for what, would be tremendous. ☐ at one time used the multiple principle in several operational areas, with the net result that it was almost impossible to ascertain what the true cost of the project was. As you know, the system has since been changed. Headquarters therefore disapproves the AECASSONARY/29 financing system set forth in paragraph 3f for the above stated reasons and requests that the roof-project principle be followed.

It is obviously difficult at this time to estimate the costs which you will incur during the rest of this fiscal year, but if you could give us some figure to work with as a starter, it would be most helpful. Such a figure need not be final either, as successive adjustments can be made as operational necessity dictates.

For your information, the FY 61 AEROBYNAMIC budget request was ☐ of which the AECASSONARY/1 subsidy portion is expected to be ☐. The difference of ☐ is made up of the FUB ☐ allocation and ☐ now held at Headquarters to cover domestic operational expenses of AECASSONARY/15, Headquarters expenses and maintenance of an operational reserve. It is in this reserve that we expect to find supplementary funds to increase the Field allocation. As far as the subsidy is concerned, AECASSONARY/1 is deeply involved in the KUCAGE field and we are currently hoping to expand these activities into the Afro-Asian block area.

4. Communications

a. The decision to set up a separate channel of communication between AECASSONARY/15 and AECASSONARY/29 was based on what was considered to be the reality of the situation. If an official channel did not exist, AECASSONARY/15 and AECASSONARY/29 would probably correspond regardless. It is best for us to know about the contact and its frequency and to control it. AECASSONARY/15 and AECASSONARY/29 understand that this is not the main channel of communication and that no sensitive material may be sent through it, and we doubt that it will be used often.

☐ is simply the cover name of the address given to AECASSONARY/15 for receipt of mail from AECASSONARY/29. AECASSONARY/29's "Schicess" address is known only to AECASSONARY/15 and Headquarters.

b. Headquarters can only agree with the Field's conclusions in this subparagraph.

c. Headquarters heartily agrees on the necessity for complete coordination in this widespread project. Any indications which you might have received that coordination has been lacking heretofore might have resulted from the unfortunate fact that FOB was not brought into the theater until after the show had begun. You will note that Headquarters has repeatedly relayed AECASSONARY traffic from other stations to FOB to keep you fully informed. We shall continue to do so at every point, either where AECASSONARY/29 is concerned or where you will derive some general benefit. Unfortunately, AECASSONARY/1 publishes no periodic summary of its activities, either in English or Ukrainian. Headquarters does receive a monthly literature distribution report, but reports on all other activities are ad hoc and will be transmitted, where appropriate, on that basis.

Although the Field did not touch on the subject in reference, perhaps it would be good to mention Field reporting to Headquarters. The form and format are left to the Field's discretion. We do not necessarily recommend the monthly report, which so often merely repeats information submitted separately. We do request complete reporting, including AECASSONARY/29's raw reports (two copies), and it is suggested that the case officer simply attach his comments in a covering dispatch.

It would probably be helpful to the FOB case officer for him to obtain a general briefing of AECASSONARY/1 activities and simultaneously to put his own operations into perspective. AECASSONARY/29 has a fairly good knowledge of AECASSONARY/1 activities, and we suggest that you ask him for a rundown sometime soon. Such an exercise would also draw him out and permit the case officer to get his point of view. Incidentally, he is well versed on the AECASSONARY/1 newspaper complex in Munich, on which you should be briefed. If, after such an exercise, gaps remain, we should be glad to try to fill them.

Attachment: U/S/C

(13 October 1960)

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74-124-29/2